Report on Changes Made to Improve the Long-Term Effectiveness and Efficiency of Permitting and Compliance Processes at the Department of Environmental Quality

August 2009

Table of Contents

Attachments

Introduction

In 2005 DEQ undertook a review of the agency's permit programs to identify areas for improving the long-term effectiveness and efficiency of its programs. A goal of the review was to ensure that maximum value was being achieved from the funding for environmental programs. DEQ utilized the expertise of the consulting firm ERM to conduct this review.

As part of this review, three stakeholder groups, called Peer Review Teams, were formed to assist with conducting this review on the following permit programs:

- Virginia Water Protection Permit Program
- Solid Waste Permit Program
- Virginia Pollutant Discharge Elimination System (VPDES), air and hazardous waste programs

The Peer Review Teams were comprised of representatives of the regulated community experienced with the permitting process, the environmental community and DEQ program staff. After meeting multiple times with the Peer Review Teams, a list of opportunities for improvement were identified and discussed with team members. The opportunities identified covered many areas, from changes in how DEQ and facilities exchange information to changes in how DEQ structures and processes permits.

Both cross program opportunities and program specific opportunities for improvement were identified. Cross program opportunities are ideas for improving parts of the permit programs that can be applied to multiple programs. Electronic submission of information was identified as an area in which the exchange of information between the regulated community and DEQ could be streamlined and improved. Other examples of cross program opportunities include improving the regulatory rule making process, improving the permit review process, improving the efficiency and effectiveness of inspections, improving public participation, and improved training of staff. Cross program opportunities have been tailored to specific media and incorporated into the program-specific opportunities when appropriate. Program specific opportunities relate to specific program requirements and identify specific changes that have been identified to improve an element of a program. Program specific opportunities were also identified in the report.

This report provides a status report on the progress the agency has made toward evaluating the cross program and program specific opportunities. Successes and challenges with implementing these opportunities will also be discussed as well as benefits realized from implementing these changes.

Overview of Changes

As a result of the peer review study, changes have been made to the way the agency operates. Some of the major areas the agency has changed will be discussed below, and

include the use of information technology, risk based inspection strategies, multimedia inspections, workforce development and restructuring of agency programs.

Enterprise Content Management (ECM)
Advances in information technology have allowed the Commonwealth to move forward with implementing electronic document management programs within state agencies. The Commonwealth of Virginia selected IBM FileNet as the software standard for Enterprise Content Management (ECM) system implementations across state agencies. ECM is a means by which information can be stored electronically, either by scanning hard copies of existing documentation or by managing documents submitted electronically. This system will provide an efficient means of storing, accessing and managing documents. The anticipated future benefits associated with implementing this system will be quick, reliable, electronic access to DEQ's documents by our staff, the general public, the regulated community and our partners at other government agencies. Once documents are in electronic format, these documents will be able to be accessed throughout the agency, promoting telecommuting, reducing file storage space and archival space for file retention. The implementation of a standard software across state agencies for electronic document management will allow agencies to share information electronically between agencies in the future.

eDMR
Electronic submission of Discharge Monitoring Reports (DMR) in the water program was fully implemented in May 2006 and allows permittees to submit monitoring information directly to DEQ electronically. This improves the speed and accuracy of the information provided by removing the potential for data entry errors occurring by DEQ staff re-entering information submitted to the agency. This also reduces the amount of paper files required to be stored by the agency. It is the agency's goal to receive and store information electronically from more of the agency's programs in the future by using the expertise obtained through the development of the eDMR.

GIS
The use of Geographic Information Systems (GIS) is another area in which the agency is utilizing technology to communicate information about the environment. A series of online mapping applications have been developed for use by both staff and the public. Information such as locations of petroleum release sites, solid waste facilities, 303D impaired waters, and water quality monitoring stations is able to be provided in easy to access scalable maps through the agency website.

Risk based inspection strategy
As a result of the permit peer review study the agency has implemented risk based inspection strategies into the waste, water and air permit programs, where appropriate. This is being conducted as a three year test pilot of a Risk Based Inspection Strategy in conjunction with EPA. Implementation of this strategy has allowed the agency to focus inspection resources on activities that pose the greatest potential threat to the environment, and to focus on sectors where non-compliance with regulatory requirements tends to occur. For example, if a facility is routinely inspected, not all areas of the

facility may be inspected on every visit. The use of spot checks of information required to be maintained may be used when violations are not identified during an inspection. If problems are noted during the inspection however, a more thorough inspection may be performed at the facility. There are some limitations to using the risk based inspection strategy in that the pilot study period still requires DEQ to meet all federal mandates regarding existing inspection frequencies and facility types. This forces DEQ to use only those resources available after satisfying federal mandates to conduct risk based inspections.

Multimedia inspections
During the review of the efficiency of agency programs, the use of multimedia inspections was examined. The potential for increased efficiency by decreasing the number of trips made by different inspectors to facilities in conducting inspections was explored. DEQ conducted a multimedia inspection training course attended by 34 experienced inspectors in March 2008 and plans to include this training in its regular rotation of training programs every two years. This will increase the number of staff capable of conducting multiple types of inspections during facility visits. In cases of more complex inspections, staff with a particular expertise will continue to conduct certain inspections.

Streamlining permit applications and renewals
In an effort to reduce the number of needed steps in the permitting application and renewal process, each media has reviewed the current permit application and renewal process and made changes such as revising submission forms and guidance documents, and coordinating pre-application meetings to make the application process more easily understandable. Specific changes to the permitting processes are identified in the Attachments to this report.

Restructuring agency programs
Since conducting this review, changes have been made to reorganize program areas. For example, the Part A siting and groundwater portions of the Solid Waste Permit Program have now been regionalized which provides a single point of contact, the Regional Waste Compliance Manager, for solid waste management facilities. Regional staff now provide permitting (Part A and Part B), groundwater/corrective action and inspection oversight for facilities within their region which allows for closer coordination between agency staff and the facilities.

DEQ also has restructured the agency's approach to overseeing the development of regulations. Previously regulatory writers were part of individual divisions within each media. These positions have been re-organized into a single Office of Regulatory Affairs. This change will allow regulatory staff to begin to obtain multimedia experience which will foster consistency between regulatory programs. Additionally, this change will allow more flexibility by management to address the needs of the agency by having a group of staff available to develop agency regulations.

<u>Workforce development</u>
Staff development and retention were cited as issues in the peer review study that needed to be addressed. DEQ launched a Career Path Program in October 2005 which was designed to improve development of employee knowledge and skills and to provide an opportunity for advancement of employees within their current role based upon the skills gained through a career path. Additionally DEQ offers staff training in areas to assist employees with developing their technical skills. Moreover, DEQ places a priority on information sharing within and across all media through face-to-face and videoconference monthly or quarterly meetings. These information sharing sessions are designed to promote consistency in interpretation of regulations. This program has helped with backup support for permit writers and inspectors in event of absence or staff turnover and with cross training staff. This program also addresses knowledge transfer, succession planning and retirement.

DEQ has a strong employee recognition and reward program designed to reward behavior consistent with furthering strategic goals and providing outstanding customer service. DEQ's recognition program includes yearly recognition awards, instant awards, and performance based "Extraordinary Contributor" awards. DEQ recently enhanced this existing program by including an "Above and Beyond" award which seeks to reward exceptional employee performance going above and beyond normal job duties or enduring unusual circumstances to "get the job done".

<u>Update on Individual Opportunities</u>
DEQ has compiled an update on the progress it has made implementing the opportunities for improvement identified by the Peer Review Teams. Specific details concerning the activities undertaken on the opportunities identified are included in Attachments 1 through 6 to this report.

Conclusion
The agency strives to continually improve the efficiency and effectiveness of its programs. With reduced funding and staffing, the agency is continuing to search for more ways to carry out the agency's mission of protecting human health and the environment with available resources. As opportunities for improvement are presented in the future, the agency will strive to implement changes that improve the efficiency of agency operations.

Attachment 1 - Cross Program Opportunities

Cross program opportunity 1 - Regulatory Rulemaking
Improve regulatory rulemaking by piloting regulations prior to implementation and by gaining more input from regional staff and stakeholders

1. Pilot proposed regulations before promulgation to define weaknesses in intended outcomes and inefficiencies from unintended adverse consequences.
2. Broaden stakeholder input into process, including increased VADEQ Regional Office input.

Agency Update: The agency examined how regulations could be piloted prior to finalization to identify weaknesses with the regulations prior to finalizing the regulations. When adopting regulations, the agency is required to follow the requirements contained in the Administrative Process Act. The Administrative Process Act does not provide for a trial period to test regulations before they become effective. There is a provision in the Act that allows for implementing a regulation on a limited basis with a representative number of localities when the regulation will impose a statewide mandate on the Commonwealth's localities. As far as the agency has been able to determine, this provision has never been used and exactly how the process would be implemented is unknown.

Staff believe that more input from agency staff, the regulated community, the environmental community and other stakeholders during the development of regulations will help to identify unintended consequences and inefficiencies. The agency has increased staff review of regulations prior to initiating significant rulemakings in order to develop as complete a listing of issues that need to be addressed as possible. In addition, agency guidance calls for staff to consider how regulatory text is to be implemented while developing regulations in order to avoid, wherever possible, unintended consequences of a rulemaking.

Benefits: The agency believes that additional input from interested persons and early input from agency staff will do much to achieve the benefits that were expected from a pilot program (improved identification of impacts, early detection of fatal flaws prior to final adoption, reduced rework to modify regulation to correct unintended consequences, and simplified compliance).

Issues: Piloting regulations is only specifically authorized by the Administrative Process Act for regulations which impose statewide mandates on localities. The process for piloting a regulation is unknown.

Cross program opportunity 2 – Improve Permit Application and Review Efficiency
Improve permit application and review efficiency by:
1. Making procedures and guidance easier to use and understand.
   ♦ Improve the format and structure of VADEQ procedures and guidelines, for both internal use and for the regulated community, to make these more

concise, usable, timely, accurate, and with an identifiable VADEQ "brand."

- ♦ Improve applicability determination guidance for large, complex facilities (including more detailed/better decision trees).
- ♦ Improve permit application guidance to make it easier to understand and use by permit applicants and DEQ staff.
- ♦ Make guidance documents across media more fluid and consistent in regard to content.
- ♦ Conduct VADEQ seminars for smaller facilities on application process.
- ♦ Identify mentoring mechanisms, e.g., large facility mentors for smaller facilities to assist with permit applications, technical issues, etc.
- ♦ Publicize the availability of currently available guidance for ease of access by permittees and permit writers and ensure that this information is kept up-to-date (e.g., www.townhall.virginia.gov). Benchmark with USEPA and other states.

2. Revising applications and submittal methods, including electronic submission of applications and other information (Application forms and submittal methods).

- ♦ Identify ways to streamline signature authority and supporting materials (e.g., QA/QC plan) so that information can be submitted electronically.
- ♦ Web-ify application process/online application, including ensuring design and use makes the process easier (TURBO TAX APPROACH).
- ♦ Customize and streamline application forms so that the applicant completes only the information necessary for VADEQ to conduct its review.
- ♦ Require permittee to highlight changes in renewal application (e.g., comparison table).
- ♦ Identify performance criteria for qualifying permittees for faster tracking through permit renewal/amendment process (e.g., Environmental Excellence, Performance Track, third-party certification).
- ♦ Allow carryover of unchanged information from previous permit renewal/permit application.
- ♦ Utilize routine reports already provided by permittee that contain needed data for permit application/renewal processing instead of requiring submittal of the same data in the permit application (e.g., routine reports).
- ♦ Work with a multi-stakeholder group to develop revised application forms and submittal methods.

3. Improving staff through increased training and assigning backups for staff in case of absences and vacancies.

Agency Update: The agency has taken many steps toward implementing changes to make the permitting process easier to navigate. One of the things that has been developed is a web based program (DEQ Permit Expert) that assists a facility with finding which permits may be necessary for the activity they wish to conduct. Through asking a series of questions, the online application suggests the regulatory requirements that should be reviewed by the facility. In addition to this change, the agency also has implemented a new format for guidance documents. All new guidance documents are

being developed using the same format, which will make guidance documents clearer and more easily understandable for those facilities that deal with multimedia issues. A number of activities are completed or underway that impact the efficiency of the permit application process. Many of these are detailed under the individual media portions of this report such as changes to the hazardous waste permit application process and agency permit manual, as well as aspects of the solid waste Part A process.

Benefits: Efficiency improvements to agency guidance procedures and permit application processes offer benefits relative to time and resource savings for both DEQ and the regulated community.

Issues: Work is still underway in the Air Division which has been slowed by recent changes to the major New Source Review (NSR) regulations and the fact that new minor NSR regulations were being revised. The ECM project should also provide new efficiencies with respect to electronic submittal, storage and retrieval capabilities.

Cross program opportunity 3 – Inspection efficiency and effectiveness
Improve inspection efficiency and effectiveness through:
1. Identifying and minimizing logistical efficiencies.
    ♦ Evaluate time losses due to state vehicle policy (e.g., must pick up vehicle at DEQ office).
    ♦ Determine opportunities or constraints to accessing project related files remotely.
    ♦ Identify an appropriate balance between unannounced and announced inspections to limit amount of time field inspectors need to "wait at the gate" and minimize the potential for not having appropriate facility personnel available on site to conduct inspection.
    ♦ Determine appropriate pre-inspection notification period (e.g., 24 hours?).
    ♦ Review inspection frequency commitments via EPA MOU, VA code/statute. Customize inspection frequency based on historic facility performance and maturity of environmental performance management programs (e.g., Environmental Excellence, Performance Track, ISO 14001).
    ♦ Examine utilizing groundwater and other technical staff in multiple programs.
2. Focusing inspections on higher risk facilities (Risk Management focus)
    ♦ Explore opportunities with USEPA in grant requirements (and other external drivers as applicable) to shift inspection focus to higher risk operations and activities that have historically been subject to fewer regulations/controls.
    ♦ Explore opportunities to adjust inspection frequency or type of inspection for permittees with demonstrated environmental performance improvement programs.
3. Reinforce guidelines and training for inspectors to ensure they can discuss potential compliance issues with permittees at the completion of the field inspection and before leaving the site.

4. Ensure adequate field oversight role for management to ensure consistency of inspection scope, quality and reports.
5. Reinforce guidelines on timely issuance of inspection reports.

Agency Update: DEQ has received EPA approval to pilot a Risk Based Inspection Strategy (RBIS) for a three year period. The RBIS approval process involved evaluation of current EPA requirements for delegated Virginia programs. The RBIS approach focuses on several factors including facility compliance history and environmental sensitivity of facility activities or locations. The RBIS also includes consideration of a facility's participation in the Virginia Environmental Excellence Program, agency initiatives and multimedia inspections. In addition to federally delegated programs, the agency has also included the state's solid waste compliance program into this study.

Benefits: Primary benefits are expected to include more effective use of DEQ resources by focusing on facilities that pose greater potential for environmental impact as well as the benefits gained through multimedia inspections and enhanced staff knowledge of multiple media programs.

Issues: The pilot study period still requires DEQ to meet all federal mandates regarding existing inspection frequencies and facility types. This forces DEQ to use only those resources available after satisfying federal mandates to conduct risk based inspections.

Cross program opportunity 4- Electronic submittal and storage of monitoring data and reports
1. Identify the types of reports submitted; where they go and who processes them.
2. Redefine VADEQ's recordkeeping and document control procedures to address electronic documents.
3. Resolve barriers in statutes and regulations (electronic signatures).
4. Obtain input from Peer Review Team during design stage (e.g., pre-pilot) on capability for permittee to work on and submit electronic forms.
5. Identify technology changes needed, including verifying and documenting receipt.
6. Look at what is being done in other states (e.g. EI in NJ, Ohio) (SC accepts electronic spreadsheets).
7. Utilize information learned from eDMR experience when developing other electronic data submittals.
8. Obtain cost justification information from experienced vendor.
9. Ensure automatic transfer of data into CEDS.
10. Pro-actively manage transfer of documents from hard copy to electronic format.
11. Recruit volunteer permittee for "pilot" testing and schedule stakeholder outreach and training.

Agency Update: Over the past 4 years, DEQ has strengthened the agency IT strategic planning process to include documenting the agency's current and future computer application needs. The agency currently has 3 major data systems; Enterprise Content Management (ECM) which is an IBM filenet application; Comprehensive Environmental Data System (CEDS) and Geographic Information System (GIS). The ultimate

technology goal for DEQ is for data to be entered once into one of these systems and to allow access to the data from one module to another module via a common access portal.

Enterprise Content Management (ECM) is the technology used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. The initial phase of DEQ's implementation will establish the basic workflow for documents, and allow for indexing, searching, retrieving, adding and deleting documents. Additionally the system will achieve full integration with CEDS (for document index metadata); full integration with Microsoft Office & Microsoft Outlook; and implementation of the approved file retention schedules for DEQ's 13 core business functions. DEQ completed the initial implementation of ECM in January 2009.

After initial implementation including culling and scanning over 50 million documents, DEQ would like to proceed to the next phase of ECM which includes the design and implementation of workflow processes for the water and waste programs, as well as additional workflows processes for the air and tank programs. Future steps include developing the functionality to provide documents to the public with little or no interaction from DEQ staff through accessing information through the web (self service Freedom of Information Act (FOIA) requests), and design and implementation of e-forms to enable online submission of data (such as permit applications). Development of e-forms would include populating data into appropriate CEDS tables and storing associated documents in ECM. The ability to capture and store electronic signatures in lieu of "wet" signatures on documents to enable electronic submission of reports and other documents would also be developed in the future.

Benefits: Full integration of data systems including e-form and other digital document submission eliminates duplicate data entry and allows for efficiency gains for both DEQ and DEQ customers and stakeholders.

Issues: The initial phase of DEQ's ECM implementation is funded by a one time funding stream. The next phase of ECM implementation including e –form submission will require additional funding that is not included in DEQ's base budget.

Cross program opportunity 5 – Public Participation
1. Utilize the current public outreach initiatives to reinforce public education of the public comment and public hearing process, the DEQ's role, and its resource requirements.
2. Amend regulations to state that unless required by statute, public meetings and hearings will be held only when requested.
3. Facilitate implementation of "self-service" FOIA requests, including publicly availably computer terminals in Central Office and Regional Offices to accommodate "walk-ins.'

Agency Update: DEQ continues to work with the general public and stakeholder groups to promote understanding of the public comment process and to ensure delivery of useful

and meaningful public comments. Agency staff focuses on the role of DEQ in environmental decisions and how the agency uses public comments.

DEQ remains committed to ensuring full and open public involvement in environmental decision making. To ensure efficiency in this process, where allowed by state and federal laws and regulations, state regulations will be amended to provide that public meetings and hearings are held only when requested.

Simplified access to public information remains a priority for DEQ. The agency is evaluating the use of computer terminals in the central and regional offices to facilitate the flow of information. Significant improvements will be possible when the agency completes its ECM system of digitized agency records.

Benefits: Public education about the public comment process will help ensure that DEQ receives informed and meaningful comments. It also ensures that the public has a stronger understanding of the limitations of DEQ's role in environmental decisions and the advantages of stakeholder participation.

Ensuring that public hearings and meetings are held only when there is a demonstrated public interest in the subject will help ensure appropriate use of DEQ resources. This will minimize situations involving required hearings or meetings in which there is no public interest, or in which there is only a low level of public interest that could be satisfied by staff on an informal basis. There also would be a financial benefit in reducing paid advertisements for meetings that are unnecessary.

Improved accessibility to agency records will strengthen DEQ's ability to meet its strategic goal of fostering an informed and engaged community. Increased availability of records, through more public access opportunities, will promote greater public understanding of DEQ's role in protecting the environment.

Issues: Agency efforts to explain the public comment process and limitations on DEQ's responsibilities must be presented in a realistic and informative light, to avoid incorrect impressions that DEQ seeks to limit public involvement. All efforts in this area must be accompanied with a clear explanation of DEQ's ongoing commitment to strengthening community involvement and improving stakeholders' experiences in the public comment process.

Reliance on the advanced content management system for records retrieval will involve complicated and time-consuming changes to DEQ's record retention efforts. In the meantime, open access to all appropriate records and simplicity of retrieval by the public should remain priorities.

Cross program opportunity 6 - Workforce Development and Staff Development
 1. Assign backups for permit writers and inspectors in case of absence, turnover, etc.

2. Provide technical guidance and training to ensure consistency in permit writers' interpretation of the regulations. Use real life scenarios to improve relevance and usefulness.
3. Improve content of technical guidance to permit writers on conducting administrative and technical completeness reviews. Reinforce the guidance as part of permit writer training.
4. Ensure that selected permit writers receive timely specialist training when new regulations are adopted.
5. Provide technical training to the regulated community in addition to DEQ personnel, so that there is more common understanding of regulations and permit conditions.
6. Cross-train inspectors to handle multimedia inspections at small facilities.
7. Provide customer service training to VADEQ staff to ensure timely, accurate, and diplomatic communications with permittees and other stakeholders.
8. Enhance audit training with "real life" scenarios.
9. Conduct customer satisfaction surveys/implement other feedback mechanisms as inputs to DEQ staff performance management (e.g., recognition and reward).
10. Implement internal VADEQ reward and recognition program for staff.

Agency Update: Over the last three years DEQ has devoted considerable resources toward implementing leading best practices in workforce and staff development. DEQ launched a Career Path Program in October 2005 which was designed to improve development of employee knowledge and skills and to provide an opportunity for advancement of employees within their current role based upon the gained skills through a career path. This program addresses the employee aspect of the DEQ Strategic Plan. It increased the flexibility of the DEQ workforce and was tied to the Strategic Plan 2010 and the Permit Efficiency Study. This program provides guidance and mentorship, training to new hires and enhances multimedia expertise and depth of knowledge and cross-training.

DEQ is a leader in employee training and development, and invests in providing staff with high quality technical training that furthers strategic and operational goals. Over the last 2 fiscal years, DEQ has delivered over 66 hours of technical environmental permit related training across all media types (Air, Waste and Water). In addition, DEQ conducted a multimedia inspection training course attended by 34 experienced inspectors in March 2008 and plans to include this training in its regular rotation of training programs every two years. DEQ also held a Cross Program Managers Workshop in May 2009. Moreover, DEQ places a priority on information sharing within and across all media through face-to-face and videoconference monthly or quarterly meetings. These information sharing sessions are designed to promote consistency in interpretation of regulations. This program has helped with backup support for permit writers and inspectors in case of absence or staff turnover and cross training. This program addresses knowledge transfer, succession planning and retirement.

In addition to providing high quality technical training to its staff, DEQ also offers training to the regulated community (for example: Wastewater Operator Training), and

invites the regulated community to appropriate training courses when it can (for example: Compost Training delivered by the U.S Composting Council in October, 2008). The agency ensured that training is delivered timely when new regulations are adopted and while using real life scenarios to improve relevant information.

DEQ is striving for an outcome based culture and has taken measures to incorporate this principle into its everyday activities. The Agency includes outcome based measures in its strategic plan and has measured staff level of "outcome based orientation" through internal employee surveys. The Human Resource Office rolled out a HR Satisfaction Survey in May 2007 addressing streamlined processes, open-door policy and the agency's recognition program.

DEQ has a strong employee recognition and reward program designed to reward behavior consistent with furthering strategic goals and providing outstanding customer service. DEQ's recognition program includes yearly recognition awards, instant awards, and performance based "Extraordinary Contributor" awards. DEQ recently enhanced this existing program by including an "Above and Beyond" award which seeks to reward exceptional employee performance going above and beyond normal job duties or enduring unusual circumstances to "get the job done".

Benefits: These programs enhance employee skills, knowledge and abilities in environmental technical areas including multimedia areas, provide opportunities for employee advancement, and increase communication between and within program areas. This improves consistency between programs while also providing the agency will more experienced employees that are able to perform duties in multiple areas.

Issues: The Agency continues to face budget constraints which create challenges in providing advanced training to address succession planning, transfer of knowledge due to increased retirements, and reduction in staff which directly impact workload.

Cross program opportunity 7 Job Satisfaction

Increase job satisfaction.
1. Conduct customer satisfaction surveys or other feedback mechanisms and use it as mechanism for recognition and reward.
2. Improve internal VADEQ reward and recognition program for Staff.

Agency Update: DEQ has conducted Internal Job Satisfaction surveys in 2005 and again in 2006. Results of these surveys showed marked improvement in several key measures including the degree in which employees report being able to use their talents in the workplace, encouraging new and better ways (continuous improvement), sharing knowledge with each other, and creative problem solving.

DEQ has also improved its recognition and reward program for staff as described in the Agency Update under "Workforce Development and Staff Development."

Benefits: These changes are helping to change the organizational culture to focus on outcome-based results; multimedia thinking, and place priority on continuous improvement.

Issues: DEQ continues to strive for meaningful ways of recognizing extraordinary performance. Due to budget constraints however, the agency has been limited in its resources. DEQ has been able to reward extraordinary contributors with recognition leave.

Attachment 2 - Air Program Opportunities

Air Program Opportunity 1: Improve the permit application process
1. Constitute a focus group/working team to review/discuss improvements to forms and guidelines.
2. Streamline Form 805 (Title V) and Form 7 (Minor NSR) to eliminate non-value added information.
3. Web-ify application process/online application, including ensuring design and use makes the process easier (TURBO TAX APPROACH).
4. Improve applicability determination guidance for large, complex facilities (including more/better decision trees).
5. Consolidate currently available guidance for ease of access by permittees and permit writers.
6. Look into what USEPA and other states are using.

Agency Update: The agency has formed a work group to review and discuss improvements to forms and guidelines. This includes the review and streamlining of Form 805 (Title V) and Form 7 (Minor NSR). Progress has been made on this task and DEQ has already established shortened Form 7 applications for Asphalt Plants, Concrete Batch Plants, Name or Ownership Changes and the Nonmetallic Mineral Processing General Permit. It is anticipated that any general permit that is developed in the future will have an accompanying simplified permit application form. Additionally the Prevention of Significant Deterioration (PSD) manual was released in the spring of 2008, and part of this manual improves the applicability determination guidance for large, complex facilities. Current guidance has been reorganized on the internal web page and staff is currently reviewing the guidance on the Virginia Regulatory Town Hall website to assure all the guidance is complete and current. Staff has investigated how other states (including NC, PA, WV, and SC) manage the permit application process.

Benefits: Through the implementation of shortened Form 7 applications for Asphalt Plants, Concrete Batch Plants, Name or Ownership Changes and the Nonmetallic Mineral Processing General Permit, only essential information is required to be submitted by the applicant and then reviewed by staff. This reduces the amount of time required by facilities to complete Form 7, as well as the amount of information for the agency to review. Improved applicability determination guidance included in the PSD manual will reduce confusion concerning applicable requirements and will lead to more complete applications.

Issues: Staffing constraints have hampered the completion of streamlining all application forms, but some forms have been revised and streamlined and plans are to continue to review and streamline forms in the future. The development of a web based permit application is not being pursued at this time due to the considerable amount of time and resources that would need to be devoted from information technology staff on this project which is not available under the current budget.

Air Program Opportunity 2: Streamline/expand the use of general permits (GPs)

1. Define the scope of the opportunity.
    - Inventory the number of industrial facilities eligible for general permits.
    - Establish a risk basis for determining if general permits are needed.
    - Revisit permit strategy for some of these types of facilities to address multimedia aspects/multiple media regulatory requirements).
2. Identify barriers to implementation due to USEPA and existing permits, including resolution of differences.
3. Identify lessons learned from non-metallic general permits and improvement opportunities, including degrees of documentation/approval activity.
4. Look at general permit implementation in other states (e.g., North Carolina).
5. Capture multimedia permitting approach (e.g., for combustors/incinerators).
6. Identify process to develop appropriate monitoring and reporting frequencies for specific types of general permits.
7. Explore options for exempting general permits from Administrative Process Act (APA) and/or permit-by-rule.
8. Determine amenability of GP sources to multimedia inspection approaches.

Agency Update: The agency has identified 23 potential general air permits and has prioritized them for development of general permits. Any general permits developed will need to be incorporated into the State Implementation Plan (SIP) and be acceptable to EPA. This would include assuring the general permit does not relax any requirements, SIP approved or federal and that the permit is consistent with any federal requirements that may apply to the source category. In addition, EPA would need to be assured that the general permit would not allow a source to make a change that may trigger major New Source Review (NSR). The current use of boilerplates by VADEQ has been helpful in maintaining consistency on how specific source types are permitted in Virginia.

Additionally, the agency has examined the development of a general permit for the non-metallic general permits to identify issues that arose with the development and issuance of the general permit. Lessons that the agency learned from the development of this general permit include:

- The general permit does not limit potential-to-emit and sources that need such limitations must therefore get a traditional NSR permit or State Operating Permit (SOP).

- Many facilities have previously been issued NSR permits which remain in effect after the general permit is issued. Therefore, changes which affect equipment or limits in these legacy permits must still be processed through the traditional case-by-case permit method.

- Standards may change over a period of time, and the agency will need to take this into account when adopting general permits. At the time the non-metallic general permit was developed, Best Available Control Technology (BACT) for distillate oil was 0.5% sulfur. Since that time, the BACT has changed to 0.05% sulfur. In order to change the BACT limit in the general permit, the permit would have to go back through the approval process. This leaves the Agency in a

position of not being able to make environmental improvements through the requirement of lower sulfur fuel. The agency will need to modify the non-metallic general permit to revise the BACT standard. To avoid this problem from occurring, when possible, an emission limit will be included that reflects a BACT level of control without specifying the specific BACT. However, there will be cases when a general permit will eventually need to be opened and revised to reflect the latest technology/limits.

- The general permit should be consistent with other provisions of the air permitting programs, e.g. under the minor NSR permit program, if a source increases emissions above the PSD significance level, air quality analysis should be performed to assure there no violations of the National Ambient Air Quality Standards (NAAQS). The current language of the non-metallic general permit allows a source to increase actual emissions above the significance level without being required to conduct an air quality analysis, possibly leaving a potential NAAQS problem unaddressed. This issue will require the non-metallic general permit to be revised.

The agency will be amending the non-metallic general permit in the future to address the issues identified and discussed above. As the agency develops more general permits in the future, the agency will build on the lessons learned to make future general permits more effective and require less revisions to be made to the general permits in the future.

As part of this review, four other states' air permit programs were examined to identify how general permits are handled. (Maryland, North Carolina, Pennsylvania and Michigan.) The other states that were contacted are able to adopt general permits in a shorter amount of time than Virginia. Other states' processes continue to include public participation. Prior to adopting a general permit in Virginia, the APA process must be followed, which requires more steps to be taken and adds additional time to the general permit adoption process when compared to other states.

As part of the review of general permits, monitoring and reporting requirements were examined. Most sources identified for general permits are relatively small emission sources and would not have extensive monitoring or reporting. The following considerations must be made during the process of developing a general permit:

- The minor NSR boilerplate/procedures provide guidance on routinely anticipated monitoring, recordkeeping, and reporting requirements for emission units and control equipment. These documents should be utilized.

- Any limitations included must be enforceable as a practical matter (i.e. there must be some means to ensure ongoing compliance).

- Any specific source type of requirements in the regulations (e.g. NSPS) and the requirements adopted by reference in case there is a change in the standard.

- General requirements of the State Air Pollution Control Board regulations must be incorporated.

In the future, compliance inspections with air general permits requirements may be conducted at some facilities in conjunction with other types of inspections. DEQ conducted a multimedia inspection training course attended by 34 experienced inspectors in March 2008 and is beginning the process of conducting multimedia inspections at some facilities.

Benefits: Implementation of some additional general permits will reduce the amount of time required to issue some permits. It is anticipated that less data entry will need to occur for facilities issued general permits.

Issues: General permits can be issued for some facilities; however, these permits may not cover all regulated activities and additional permits may be needed for the facility. In general, smaller facilities usually need more guidance due to their limited knowledge concerning environmental regulations. This may lead to some facilities believing that their general permit covers all regulated activities, which may not be the case.

Air Program Opportunity 3: Reduce the complexity of source compliance requirements

1. Investigate what other states are doing.
2. Define legal issues of eliminating underlying requirements per New Source Review (NSR).
3. Identify facility-specific opportunities to supersede NSR.
4. Document situations where conflicting or different conditions in multiple permits adversely impact a permittee's ability to comply.

Note: There are significant barriers to consolidation, including:
   (a) State Best Available Control Technology (BACT)/underlying nature of DEQ permits;
   (b) USEPA Region III interpretations;
   (c) State level of interest in superseding NSR permit via case decision and potential creation of legal loopholes; and
   (d) Complexity of working through all the issues.

Agency Update: The State programs are incorporated into the SIP which must be approved by EPA. Changes to the SIP must by approved by EPA and the state program must not conflict with federal program requirements. Issues associated with making changes to the Title V program are further discussed under Air Opportunity #2. DEQ researched how other states were handling NSR requirements. DEQ identified letters from EPA to WV and IN disallowing the supersession of NSR requirements. Additionally, EPA Region IX Guidance explicitly explains that NSR requirements can not be superseded by the Title V program. NSR can only be superseded if the conditions are moved into a permit that will not expire such as a State Operating Permit. The Air Permit Managers were not aware of a situation where there were conflicting conditions

that would prohibit compliance; however, sources may have to be careful to comply with the more stringent limit if a NSR permit has not been incorporated into the Title V permit.

Benefits: After reviewing this opportunity, there are significant barriers to consolidation of the Title V and NSR permits, therefore no benefits were identified. The provisions regarding public comment under Virginia's minor NSR permit program and the requirements for the Title V program are not consistent. Therefore, under a consolidated program every minor NSR permit change at a Title V source would need to go through public comment creating an unnecessary burden in these cases.

Issues: Underlying NSR permits are the backbone of the Title V program. Without NSR-Title V conditions have no reference requirements. Having only a Title V permit which must go to EPA for review leaves facilities vulnerable to EPA objection of BACT during amendments for construction and/or modifications.

Air Program Opportunity 4: Streamline how minor NSR changes are incorporated into Title V permits

1. Identify source of requirement (Federal vs. State regs./state statute) for each applicable program.
2. Identify barriers to make a change.
3. Improve current guidance to permit staff clarifying the timing and necessity of Title V permit revisions.
4. Explore the development of enforcement discretion policy.
5. Explore concurrent NSR and Title V permit processing procedures.
6. Utilize pre-application meetings to clarify NSR/Title V potential conflicts.
7. Evaluate use of NSR permit language that reduces conflicts with Title V permits.
8. Evaluate use of self-effecting minor permit amendments for defined scenarios.
9. Benchmark North Carolina's approach to Title V /NSR.

Agency Update: The Title V federal regulations are from 40 CFR Part 70 and the state regulations are in 9 VAC 5-80-50 et al. Virginia's Title V program is approved into the SIP and cannot conflict with the federal program. A Title V permit cannot be used to supersede an applicable requirement. In a March 31, 1999 John Seitz memo, EPA stated the following regarding supersession:

> *"It is the Agency's view that title V permits may not supersede, void, replace or otherwise eliminate the independent enforceability of terms and conditions in SIP-approved permit terms and conditions, title V permits must record those requirements, but may not eliminate their independent existence and enforceability under title I of the CAA (i.e., may not supersede them). Title V permits may "subsume" or "incorporate" SIP-approved permit terms and conditions as EPA interprets such statements to mean that the title V permit includes all SIP-approved permit terms, but does not supersede, void, replace or otherwise eliminate their independent legal existence and enforceability.*

Regardless of terminology, to the extent that title V permits are used to accomplish the legal result of supersession, EPA believes that such use is improper."

   a. All federally enforceable terms and conditions (such as terms from a SIP approved permit program) are "applicable requirements" that must be incorporated into the federal portion of the title V permit (CAA §504(a); 40 CFR §70.2).

   b. Combining the NSR and Title V program would have the consequence of the NSR requirements expiring when the Title V permit expires. Currently, NSR permits have no expiration date. Additionally, all Title V permits must go through EPA review. If the two programs are combined, every NSR permit change that is part of the Title V permit would have to go through EPA review, extending the time to receive a permit.

As discussed above there are specific requirements that must be met. The agency strives to continually update the Title V permit manual as changes occur. However, for over a year, the agency was without a Title V coordinator. That position was filled in October 2008. It is the goal of the agency to keep the manual updated and to inform staff of any changes or improvements to the program as soon as possible. In the near future, the agency permit manuals (both Title V and NSR) will be updated to include examples of language that should be used to reduce conflicts.

The agency requires a pre-application meeting with all PSD permits and the revised Title V manual, the PSD manual and the upcoming minor NSR manual will instruct staff to conduct pre-application meetings whenever possible.

Additionally the agency explored the possibility of using self-effecting minor permit amendments for certain scenarios and found that this was not possible in all situations. The Virginia regulations define what is an administrative, minor or significant amendment (9 VAC 5-80-190 – 230) and these regulations are based on the federal Title V regulations at 40 CFR 70.5 (a)(ii), 40 CFR 70.7(d), 40 CFR 70.7(e), 40 CFR 70.7(e)(F)(4). A minor NSR permit may not be in conflict with the Title V permit. A source is required to meet the most stringent permit requirement regardless of whether it is in a NSR permit or a Title V permit. A self-effecting minor permit amendment would most likely cause a conflict between the NSR and Title V permit. To avoid these conflicts, concurrent processing of the minor NSR amendment and the Title V amendment are encouraged. Procedures have been established to process NSR and Title V permits concurrently, and these procedures have been incorporated into the Title V manual. These changes will be included in the minor MSR manual, and staff were provided training on this process in February 2008.

As part of the review of how to potentially streamline how minor NSR changes are incorporated into Title V permits, the agency reviewed North Carolina's approach to minor NSR permits being incorporated into Title V permits. The process is

essentially the same as Virginia's. Although North Carolina's Title V permit has a Part I (Title V) and Part II (NSR), any conflicting requirements between the minor NSR permit and the Title V permit must be resolved by opening the Title V permit before the minor NSR change is in effect.

Benefits: The benefits include saving time and effort in processing unnecessary Title V permit amendments and gaining the ability to make changes more quickly and to become more flexible in how the facility operates to meet environmental requirements is a business competitive advantage.

Issues: Facilities risk the chance of constructing or modifying the facility pursuant to a construction permit change and then having changes to their Title V permits held up as a result of public controversy after the fact. For example, if a self-effecting minor amendment program were adopted, a source could receive a minor NSR permit that was not required to undergo public comment. If that change was in conflict with the source's Title V permit such that the Title V permit then had to be changed, the source may have to go through a later public notice and comment period for the change to the Title V permit. If the requested change becomes controversial delaying issuance of the Title V permit (or even subjecting permit issuance to appeal), the source could then risk enforcement action if it proceeds with the change permitted by the minor NSR permit but not yet permitted by the Title V permit.

Air Program Opportunity 5: Streamline permit amendment and renewal process

1. Revisit criteria and interpretation of what triggers a minor vs. major amendment vs. administrative change (especially in reference to changes resulting in improvements, e.g. decrease emissions). As part of this action, better define what constitutes "case-by-case" and define specific scenarios to improve consistency of interpretation and understanding (DEQ staff and regulated community).
2. Identify what other states in USEPA Region III are doing.
3. Identify what other USEPA regions are doing.
4. Evaluate how to maximize the use of cross-referencing unchanged information from previous submissions. Do this for a broader range of source types.
5. Utilize workforce development plan to retain experienced permit writers.

Agency Update: The agency has examined the issue surrounding minor vs. major amendments and administrative changes and believes that the majority of problems surrounding this issue have been resolved by changes to the Minor NSR regulation to incorporate an "uncontrolled" to "uncontrolled" emissions test. By using the "uncontrolled" to "uncontrolled" emissions test, the need to conduct net emission increase calculations is eliminated and therefore determining what type of an amendment has been triggered easier to make. Additionally, the PSD manual was released in the spring of 2008 and also offers guidance on this issue. The manual is available on the DEQ external website for use by the regulated community as well as DEQ staff.

DEQ has examined what approaches other states are taking to attempt to streamline the permit amendment process. Pennsylvania's approach is similar to Virginia's approach except the applicant publishes the notice for minor and significant amendments; de minimus changes are published by the state in the Pennsylvania Bulletin. Pennsylvania, Maryland, and West Virginia all grant preconstruction approvals which expire and all sources then have operating permits that require amendments and renewals.

Virginia, through membership in the National Association of Clean Air Administrators (NACAA) and the Mid-Atlantic Air Regional Air Management Association (MARAMA) continues to collaborate with other states concerning approaches they are using to streamline the permit amendment and renewal process. This is done through monthly conference calls as well as national and regional face-to-face meetings and training.

As part of the permit renewal process, the agency is identifying ways to minimize repeating unchanged information, and is focusing reviews of permit renewal applications on information that has changed since the previous permit was issued.

This opportunity identifies a need for a workforce development plan to retain experienced permit writers. Workforce development issues are being addressed across all media as described in Cross program Opportunity #6.

Benefits: The ability to make changes more quickly and to have the flexibility to make changes is an advantage to permittees. These changes reduce the time the applicant and the agency spend on paperwork associated with permit renewal documentation.

Issues: The agency has released additional information to assist with streamlining this process and clarifying when changes are needed to permits. These changes will need to be in place for a while before the agency can evaluate the effectiveness of these changes.

Air Program Opportunity 6: Hold public hearings when specifically requested by the public

1. Prepare a list of the total number of mandatory public hearings and the percentage that are not attended by the public.
2. Evaluate need for alternatives for mandatory public hearings that provide equivalent public participation.
3. Identify source of requirement (Federal vs. State regs./ state statute) for mandatory public hearings (e.g., state Major NSR) for each applicable program.
4. Identify barriers to make a change.
5. Instruct public re: public comment as part of community outreach initiatives.

Agency Update: DEQ remains committed to ensuring full and open public involvement in environmental decision making. To ensure efficiency in this process, where allowed by state law and federal law and regulations, state regulations will be amended to provide that public meetings and hearings are held only when requested.

Benefits: Ensuring that public hearings and meetings are held only when there is a demonstrated public interest in the subject will help ensure appropriate use of DEQ resources. This will minimize situations involving required hearings or meetings in which there is no public interest, or in which there is only a low level of public interest that could be satisfied by staff on an informal basis. There also would be a financial benefit in reducing paid advertisements for meetings that are not necessary.

Issues: None identified.

Air Program Opportunity 7: Electronic submittal and storage of monitoring data and reports

1. Identify the types of reports submitted; where they go and who processes them.
2. Redefine DEQ's recordkeeping and document control procedures to address electronic documents.
3. Resolve barriers in statues and regulations (electronic signatures).
4. Obtain input from Peer Review Team during design stage (e.g., pre-pilot) on usability.
5. Identify technology changes needed, including verifying and documenting receipt.
6. Look at what is being done in other states (e.g. EI in NJ, Ohio) (SC accepts electronic spreadsheets).
7. Utilize information learned from eDMR experience when developing other electronic data submittals.
8. Obtain cost justification information from E-Visory.
9. Ensure automatic transfer of data into CEDS.

Agency Update: Enterprise Content Management (ECM) is the technology used to capture, manage, store, preserve, and deliver content and documents related to organizational processes. The initial phase of DEQ's implementation will establish the basic workflow for documents, and allow for indexing, searching, retrieving, adding and deleting documents. Additionally the system will achieve full integration with CEDS (for document index metadata); full integration with Microsoft Office & Microsoft Outlook; and implementation of the approved file retention schedules for DEQ's 13 core business functions. DEQ completed the initial implementation of ECM in January 2009

Benefits: Full integration of data systems including e-form and other digital document submission eliminates duplicate data entry and allows for efficiency gains for both DEQ and DEQ customers and stakeholders.

Issues: The initial phase of DEQ's ECM implementation is funded by a one time funding stream. The next phase of ECM implementation including e –form submission will require additional funding that is not included in DEQ's base budget.

Air Program Opportunity 8: Clarify Title V semi- and annual reporting requirements to eliminate duplicative report preparation work by permittees

1. Clarify DEQ requirements for semi-annual deviation and annual compliance reports.
2. Prepare sample report formats for 1st semi-annual deviation report and combined 2nd semi-annual and annual report. Have Peer Review Team look at sample formats and provide feedback.
3. Check Part 70 regulations to confirm that deviation information in the semi-annual reports does not have to be re-listed in the annual compliance certification.
4. If reporting dates in permit do not align with standard semi-annual and annual report submittal dates, investigate allowing permittees to align with those dates through a minor amendment/self-effecting change.
5. Explore feasibility of "exception only" reporting for large data sets.

Agency Update: DEQ has developed and posted guidance concerning semi-annual deviation and annual compliance reports. This information is now accessible to both DEQ staff and the regulated community. In addition to this guidance, standard templates for the semi-annual monitoring reports and the annual compliance certifications are available on the DEQ external website. Instructions for using the templates have been posted with the templates.

As part of this review the agency examined the source of the requirements for the annual compliance certification. Information required in the annual compliance certification is defined in the Title V permit boilerplate and the Part 70 regulations. There is no language in Part 70 that requires information from the semi-annual monitoring reports to be re-listed in the annual compliance certification. However, the annual compliance certification must directly reflect the information provided in the semi-annual monitoring reports for that specific period.

As part of the Title V permit renewal process, the agency is reviewing the submittal dates for the semi-annual monitoring reporting and annual compliance reporting. During the permit renewal process, the staggered reporting dates are being changed to align with the standard calendar year semi-annual and annual submittal dates.

Benefits: These changes are expected to decrease report preparation time by one week for Title V permittees. Once staggered reporting dates are aligned with the standard calendar year, this is anticipated to reduce the amount of time DEQ staff take to review reports because they will have all reports for a facility to review at one time, which will reduce the amount of time spent by staff reworking information to become familiar with the facility's requirements.

Issues: After investigating areas of the permitting and reporting process for areas of duplicative information, there is some confusion on the part of DEQ staff concerning where the regulated community believes there is duplicative information. With the realignment of the submittal dates for reports, the agency believes this will address the regulated community's concerns of submitting duplicative information.

Attachment 3 - VPDES Program Opportunities

VPDES Program Opportunity 1: Implement electronic submittals for DMRs and supplemental information

1. Issue contract to experienced vendor .
2. Ensure automatic transfer of data into Comprehensive Environmental Data Systems (CEDS).
3. Recruit volunteer permittee for "pilot" testing.
4. Schedule stakeholder outreach and training.
5. Redefine DEQ's signatory authority, recordkeeping and document control procedures to address electronic documents.
6. Pro-actively manage transfer of documents from hard copy to electronic format.
7. Obtain input from Peer Review Team during design stage (e.g., pre-pilot) on capability for permittee to work on and submit electronic forms.
8. Ensure that permittee receives submission confirmation.
9. Identify the types of supplemental information that permittees are being asked to submit to DEQ, evaluate DEQ's need for that information, and evaluate their amenability to electronic submittal.
10. Evaluate requirement that supplemental data such as operational data is required to be submitted with DMRs.
11. Identify mechanisms to electronically submit supplemental information, including narrative (this is enormously important in incentivising the use of the eDMR).
12. Extend electronic submittal capability to applications.

Agency Update: The process to accept electronic submission of DMRs (eDMR) was initiated in May 2005 and was implemented May 2006. As of November 2008, 140 permittees are participating in eDMR. Permittees can also submit to the agency virtually any file type as supplemental information. At this time DEQ limits the file size to 1.5 MB. Feedback from the users has been positive; but in order to be an efficient system in terms of DEQ staff workload, more (preferably all) users need to enroll. DEQ staff are working with permittees to increase enrollment.

In order to assess interest in electronic reporting to be expanded to applications from Single Family Homeowners (SFH), a survey was conducted to determine the interest in expanding electronic data submission. The response was mixed; therefore until there is more support from homeowners for this type of system, expanding this system will be a low priority for the Agency.

Benefits: Permit holders save the labor equivalent of 8 work hours per permit per month by utilizing the eDMR system. When the eDMR system is fully implemented and utilized by all permittees, DEQ estimates it will save 4200 hours of DEQ staff time. Additional savings will be from reduced costs for hard copy file storage space, less time spent reworking information to correct data input errors, and the ability to focus staff time on environmental protection, rather than administrative duties.

Issues: After implementing the eDMR capability, the agency has identified that a portion of the hours saved from implementing this program will need to be used by staff to assign secure identification numbers for each permit holder and to monitor the system.

VPDES Program Opportunity 2: Change due date from the 10th of the month to the 30th of the month

1. Check DMR data upload schedule required by USEPA to determine if there is flexibility regarding DEQ's DMR reporting schedule.
2. Provide incentive to electronic filers by allowing later submittal time than hard-copy filers.
3. Investigate grant to assist small permittees with eDMR phase-in assistance to ease transition from hard copy to eDMR submittals.
4. Determine if DMR submittal date contained in VPDES permits can be changed without going through the permit amendment process.

Agency Update: This opportunity was investigated but is not feasible given the current system and available resources.

Benefits: None.

Issues: This option does not lend itself to the current automated compliance system that is driven by the due date of the 10th of the month. No IT resources are available to modify data systems to accept a later reporting date.

One E4 facility was granted a reporting date of the 24th of the month but this requires the regional compliance auditor to manually adjust points for submitting late DMRs.

VPDES Program Opportunity 3: Require DMR reporting on an "exception" (e.g., exceedence) basis only

1. Identify the types of reports submitted; where they go and who processes. Investigate regulatory barriers to "exception" only reporting (e.g., USEPA may have a strict requirement for full DMR reporting).
2. Evaluate "needs" versus "wants" re: DMR reports (e.g., DEQ uses the actual DMR data for modeling) and communicate to permittees how the data is being used. As part of this, evaluate the needed frequency of full reporting.
3. Investigate CEDS functionality to accept only exceptions to allow generation of point system that triggers a red flag for a Notice of Violation (NOV), inspection schedule, etc.
4. Communicate with USEPA about constraints imposed by its computer (PCS) system.
5. In light of the near-term phase-in of eDMRs, identify whether there will be additional incremental efficiency benefits for exception reporting versus full electronic DMR reporting.

Agency Update: The agency reviewed this suggestion, but exception only reporting is not allowed under the Federal Clean Water Act regulations.

Benefits: None.

Issues: Exception only reporting is not an acceptable option to US EPA as the NPDES regulation requires reporting of all monitoring data. In addition compliance data is used to calculate pollutant loading to specific watershed areas. Reporting excursions only eliminates data needed for trend analysis, modeling by permit staff, and nutrient trading. As part of automating the permitting process, the agency's Comprehensive Environmental Data System (CEDS) is programmed to identify areas where needed compliance data has not been submitted. The compliance data provides necessary information to conduct various other tasks used to monitor the environment.

VPDES Program Opportunity 4: Strengthen regulatory and guidance development and deployment processes

This opportunity is being addressed on a multimedia basis and is discussed under cross program Opportunity #1.

1. Increase stakeholder input earlier in the processes.
2. Pilot new regulations and guidance to identify fatal flaws and unintended consequences.
3. Ensure that guidance is consistent, usable, and timely (e.g., co-creation of regulation and guidance). Make sure guidance across all program areas has a distinct DEQ "brand" image (e.g., standard look, format, type of content) across all media.
4. Clarify what is guidance versus what is a regulatory requirement, particularly for DEQ permit and inspection staff, and provide consistent training on appropriate interpretations.
5. Make stakeholders aware that all DEQ guidance documents are available at the Town Hall web site (www.townhall.virginia.gov) .
6. Clearly define participatory process for regulatory rulemaking, especially Regional Office roles, timing, and degree of involvement.

Agency Update: This Opportunity is being addressed across all media and is described in cross program opportunity #1.

Benefits: See Cross Program Opportunity #1.

Issues: See Cross Program Opportunity #1.

VPDES Program Opportunity 5: Make inspections more valuable to permittee and DEQ

1. Evaluate DEQ policies on unannounced inspections.

2. Evaluate and implement a risk-based inspection program (e.g., split sample inspections vs. traditional inspections to focus on performance instead of paperwork reviews).
3. Utilize split sample inspections.
4. Determine appropriate pre-inspection notification period (e.g., 24 hours?).
5. Review inspection frequency commitments in DEQ/USEPA Memorandum of Understanding (MOU) and VA code. Customize inspection frequency based on historic facility performance and maturity of environmental performance management programs (e.g., Virginia Environmental Excellence Program (VEEP), Performance Track (PT), ISO 14001).
6. Provide opportunities for inspection flexibility (e.g., schedule, announced vs. unannounced, performance-based scope, frequency) to incentivize participation in VEEP and/or PT.
7. Coordinate with DCLS to define and eliminate overlaps and redundancies related to laboratory inspections.
8. Utilize workforce retention plans to ensure DEQ inspection expertise is maintained.
9. Identify technology tools that can speed up and improve the quality of inspections (e.g., field PDAs).

Agency Update: A unified DEQ risk based inspection strategy has been developed for air, water and waste inspections. We have worked with EPA to determine appropriate metrics to measure the effectiveness of the risk based approach.

Benefits: Time will be spent where the most environmental improvements can be achieved.

Issues: The regulated community perceives there is an overlap of laboratory inspections between DCLS and DEQ. Once DCLS fully implements their laboratory certification program, they will have the responsibility for conducting lab inspections and DEQ will only conduct facility inspections. The majority of DEQ's water inspections will continue to be unannounced. Inspections are announced at facilities where security is an issue such as military bases and nuclear facilities.

VPDES Program Opportunity 6: Expand compliance assistance support

1. Conduct DEQ seminars for smaller facilities.
2. Peer Review Team to identify mentoring mechanisms, e.g., VEEP and PT facilities as mentors for small facilities to assist with permit applications, technical issues. Also consider barriers to formal mentoring schemes (e.g., liability concerns).
3. Identify sources of quality problems and identify fixes, e.g., training, peer review.
4. Prepare better tools for DEQ staff, including well-written, clear and concise permit manuals and guidance.
5. Define clear criteria regarding what kind/amount of compliance assistance DEQ should/could provide to the regulated community.

Agency Update: The Agency's water division has an excellent compliance assistance program. They are continually updating their training materials, teaching classes, and making themselves available for site visits and advising. The work done in this program is limited by decreases in federal funding. The risk based inspection strategy discusses timing inspections at small facilities to fall close to the permit reissuance date so that the inspector can review any new permit conditions.

Benefits: This program assists with compliance with environmental regulations which in turn minimizes impacts to the environment.

Issues: Regarding peer review and training, initial discussions with several treatment system managers indicate there is hesitancy to commit to assisting other facilities due to organizational liability concerns. Staff explored using electronic forms for VPDES and CAFO inspections as a means to potentially improve the inspection process but this would require IT resources that are not available under the current budget.

VPDES Program Opportunity 7: Streamline sewage overflow notification requirements

1. Investigate what other states are doing re: thresholds for reportable quantities, notification timeline, reporting method, relationship to DMR reporting requirements. As part of establishing the reportable quantity (RQ), consider appropriateness and compatibility with emerging USEPA reporting requirements.
2. Provide clear definition and threshold for reportable quantity.
3. Clarify whether conditions applicable to all VPDES permits, as spelled out in Part II, can be modified to include a specific reportable quantity versus the current general requirement with no minimum quantity specified.
4. Investigate what Web-based application the Hampton Roads Planning District Commission (HRPDC) is using to facilitate on-line reporting and reduce duplicative notifications.

Agency Update: DEQ has contacted HRPDC concerning their on-line reporting system, but DEQ does not have the IT resources or funding required to implement a similar program statewide. In addition, we are investigating the use of the PREP database to report and track all Sanitary Sewer Overflow issues statewide.

Benefits: Since this opportunity is not able to be implemented, no benefits will be obtained.

Issues: Implementation would require a statutory change to allow for "de minimis" exemptions to current requirements that all unpermitted discharges be reported within 24 hours. Implementation of such an exemption is likely to require approval by EPA.

VPDES Program Opportunity 8: Improve decision-making for collecting data on toxic pollutant discharge and sampling requirements

1. Identify key communications gateways between permittee and DEQ when additional sampling will be required in developing permit-specific effluent limits. (For example, DEQ can make presentations to permittees, include in pre-application meetings, etc.).
2. Train DEQ staff, permittees and other stakeholders on the statistical methodology used by DEQ in developing permit requirements and how this relates to monitoring.
3. Revisit DEQ's approach to effluent sampling requirements for toxics (what, when, how often).

Agency Update: Agency has initiated meetings with permittees to discuss new permit specific requirements early in the permit issuance/reissuance process. Guidance development and training for agency staff is scheduled for Spring 2009.

Benefits: Better communication on specific permits requirements results in more effective permits and a reduction in processing time and resources necessary to issue permits.

Issues: Resource issues have prevented guidance development and training from occurring prior to Spring 2009.

VPDES Program Opportunity 9: Streamline individual permit application and renewal process

1. Utilize formal pre-application meetings where requested by permittee to discuss permittee's plans, significant changes with DEQ issues/concerns, and other matters. The outcome of the meeting should be specific and unambiguous so as to eliminate "back and forth" (extensive documentation to and from DEQ) and rework during the review phase.
2. Consider dampening 5-year peak permit renewal load by strategically utilizing "administrative continuance" powers and negotiating with EPA for longer permit terms for low risk facilities/facilities without significant changes in operations or effluents. (This may require changes to the Federal Clean Water Act)
3. Streamline application to request only information needed for appropriate technical and administrative review.
4. Identify performance criteria (Voluntary Environmental Excellence Program, Performance Track) for qualifying permittees for faster tracking through permit renewal/amendment process.
5. Allow carryover of unchanged information from previous permit renewal/permit application. For example, use preprinted renewal forms that contain the information from the previous permit submission.
6. Evaluate modifying permit format to append changed requirements.
7. Focus permit review on the changed information, utilizing routine reports already provided by permittee that contain needed data for permit application/renewal processing instead of requiring submittal of the same data in the permit application (e.g., DMR data versus monitoring data summary).

8. Benchmark EPA Region III VPDES permit application/renewal requirements with other EPA regions and other states within Region III to identify streamlining opportunities.
9. Work with a multi-stakeholder group (e.g., Peer Review Team) to systematically develop mutually agreeable options/alternatives.

Agency Update: The Agency's Water programs have revised agency guidance to accommodate as much streamlining in the permit application and renewal process as is allowed under state and federal laws. The Agency has initiated meetings with permittees to discuss new permit specific requirements early in the permit issuance/reissuance process. Many of the required elements are specified by the Clean Water Act.

Benefits: Pre-application meetings are anticipated to reduce the amount of revisions required to permit applications/renewals and are anticipated to reduce the amount of time spent on revising and re-reviewing information.

Issues: Some of these items may require changes to state or federal statutes and regulations.

VPDES Program Opportunity 10: Expand use of general permits (GPs) and streamline the application and renewal process

1. Explore options of exempting general permits from Administrative Process Act (APA) and/or permit by rule.
2. Revise regulations to stagger 5-year permit term within an individual GP category.
3. Determine if Federal or VA statutes require a VPDES or VA GP for all point source discharges.
4. Benchmark how other states regulate sources that require a GP in VA.
5. Consider watershed-based general permits.

Agency Update: Since the study began DEQ has issued two new general permits, the Chesapeake Bay Watershed GP for nutrients, and a GP for discharges from water treatment plants (effective date December 24, 2008). Other suggested changes require statutory changes at the federal and state level and were determined not to be feasible at this time.

Benefits: Applications for general permits typically take less time for the permittee to complete and less time for the agency to review, which saves both the permittee and the agency time and resources.

Issues: Permit terms are specified in the Clean Water Act and cannot be changed.

Attachment 4 - Hazardous Waste Program Opportunities

Hazardous Waste Program Opportunity 1: Improve completeness of applications

1. Encourage pre-application meetings to flag and address significant issues and to reinforce DEQ's expectations for a complete application.
2. Evaluate electronic submittal of applications and supporting materials. Web-ify (e.g., TURBO-TAX approach).
3. Implement tiered fee structure that encourages a complete application the first time by increasing fees for each DEQ completeness review.
4. Develop streamlined submission options for renewal applications (see Opportunity 2, #2).

Agency Update: The agency has updated the Guidance Manual for Permitting, Closure and Corrective Action at Hazardous Waste Management Facilities to include the goals and scope of pre-application meetings with applicants. An evaluation of electronic submission of information has been completed and a plan has been developed for receiving and storing electronic applications in the future. Additionally, the agency is discussing internally issues associated with implementing a tiered application fee for completeness reviews. The agency has also streamlined the permit application renewal process, which is discussed further in Hazardous Waste Opportunity 2 below.

Benefits: By recommending pre-application meetings, the agency hopes to receive complete applications submitted the first time, which will reduce staff time spent reviewing an application numerous times and will expedite the permitting process.

Issues: The agency has evaluated electronic submittal of applications and supporting materials and the agency's Enterprise Content Management System will be able to effectively manage the submission of this information through the e-forms component of ECM; however, the next phase of ECM implementation including e –form submission will require additional funding that is not included in DEQ's base budget. The first hazardous waste application that the agency will accept will be the hazardous waste transporter application. Until the e-forms portion of ECM is functional, electronic submission of permit applications will not be encouraged. Regarding the tiered application fees, a regulatory change will be required prior to assessing additional fees for subsequent completeness reviews. Regulatory changes typically take 18 months to process before changes can be implemented.

Hazardous Waste Program Opportunity 2: Streamline the permit renewal process where there is no significant change in operations

1. Develop streamlined submission instructions for permit renewals. Identify any regulatory barriers to submitting only changed information.
2. Require permittee to highlight changes in renewal application (e.g., comparison table or red-line current permit to show changes).

3. Incentivize participation in environmental performance programs (VEEP, PT) by expediting review of renewals.

Agency Update: All of the items listed above have been implemented. The permit manual and submission instructions have been modified to address the new requirements.

Benefits: Streamlined permit applications have been received for several permit reissuances and have resulted in more efficient permit processing especially in draft permit preparation and a reduction in the number of notices of deficiencies (NODs) required to be sent to obtain an administratively and technically complete application. Initial estimates are that this approach has resulted in overall processing time reductions of at least 20 - 25%.

Issues: None identified.

Hazardous Waste Program Opportunity 3: Eliminate duplicate data entry (CEDS vs. RCRA Info)

1. Utilize *RCRA Info* database only pending phase-in of USEPA's Integrated Compliance Information System (*ICIS)* application (eliminate use of CEDS).

Agency Update: The agency has discontinued tracking hazardous waste information in CEDS and updates and utilizes the federal database RCRA Info for all hazardous waste information.

Benefits: This change has eliminated duplicative data entry by DEQ staff. An estimated time savings has not been determined.

Issues: None identified.

Hazardous Waste Program Opportunity 4: Transition to a risk-based inspection schedule

1. Develop risk-based inspection plan, including inspection frequencies for different HW classifications (Small Quantity Generator (SQG), Large Quantity Generator (LQG), Treatment, Storage and Disposal facility (TSD), noncomplier).
2. Explore opportunities with USEPA in grant requirements to re-assign priorities to focus on noncompliant generators.
3. Incorporate environmental excellence into the risk criteria (VEEP, PT) for setting inspection frequency and scope.
4. Cross-train inspectors to handle multimedia inspections at small facilities. Pilot this approach at specific industry sectors, e.g., parts washers, dry cleaners, auto body shops, laundry facilities.

Agency Update: As noted in Cross Program Opportunity 3, DEQ has received EPA approval to pilot test a Risk Based Inspection Strategy (RBIS) for a three year period. The hazardous waste compliance program has been included in this strategy. The RBIS

approach focuses on several factors including facility compliance history and environmental sensitivity of facility activities or locations. The RBIS also includes consideration of a facility's participation in the Virginia Environmental Excellence Program, agency initiatives and multimedia inspections. The cross-training aspect has been incorporated into the RBIS and will be implemented for FY09. Media compliance managers have developed regional multimedia inspection lists that will provide the opportunity for cross-training. In addition, DEQ conducted a Multimedia Inspection training course attended by 34 experienced inspectors in March 2008 and plans to include this training in its regular rotation of training programs every two years.

Benefits: Primary benefits are expected to include more effective use of staff resources by focusing on facilities that pose greater potential for environmental impact as well as the benefits gained through multimedia inspections and enhanced staff knowledge of multiple media programs.

Issues: The pilot study period still requires DEQ to meet all federal mandates regarding existing inspection frequencies and facility types although EPA has clarified that statutorily mandated inspections at certain treatment, storage and disposal facilities (TSDFs) may be achieved through the use of "focused compliance inspections." Any "extra" resources to conduct risk based inspections are available only after satisfying federal mandates.

Attachment 5 - Solid Waste Program Opportunities

The Waste Management Board has proposed making changes to the Virginia Solid Waste Management Regulations (VSWMR). These changes are commonly referred to as Amendment 7. These regulations are currently under executive review and will then be published for public comment prior to being finalized. As noted below, some changes will be implemented once Amendment 7 to the VSWMR has been finalized.

Solid Waste Program Opportunity 1: Streamline permit application process

1. Develop an application form that is more structured and amenable to electronic completion and submissions. Also provide for electronic submittal of supporting materials (e.g., Quality Assurance/Quality Control plan).
2. Authorize electronic signature information.
3. Improve permit application guidance to make it easier to understand and use by permit applicants.
4. Implement a more formal approach to pre-application meetings to achieve outcomes such as agreement on functionally equivalent construction materials and designs that qualify for an expedited permit amendment review.* Alternatively, provide more clarity in regulations about permit amendment scenarios.

*See Solid Waste Program Opportunity 2, #4, for additional points regarding pre-application meetings.

Agency Update: The Office of Solid Waste has developed a revised Form SW 7-3 for the submittal of Part A Applications, which is currently under regional review. Amendment 7 to the Virginia Solid Waste Management Regulations (VSWMR) includes the addition of a similar form for Part B applications. Pre-application meetings are now standard procedure for all new and permit amendment applications.

Benefits: The revised Form SW 7-3 facilitates electronic submittal by standardizing the format of incoming applications as well as reducing the volume of text submitted in favor of a fill in the blank/"yes or no" style format. The proposed form for Part B applications will follow a similar format. The reduced volume of text and standardized format will increase the efficiency of permit processing.

Issues: At this time, there is no move to allow electronic signatures for solid waste applications due to security/licensing issues. Implementation of some changes will need to wait until Amendment 7 to the VSWMR has been finalized.

Solid Waste Program Opportunity 2: Expedite permit review and issuance processes

1. Improve internal coordination between Part A, Part B and Part B ground water reviews.
2. Provide dedicated DEQ staff resource for Part A reviews with appropriate combination of technical and regulatory knowledge (e.g., geological engineering,

hydrogeology) . Ensure backup is available and obtain feedback from regulated community by 1/31/06 on the success of this strategy.

3. Assign an accessible single point of contact (SPC) within DEQ to coordinate and expedite communications with permittee. Define the SPC role and responsibilities, ensure proper training, and pilot and refine the approach (e.g., this will typically be the Regional Waste Program Manager).

4. Encourage the use and usefulness of pre-application meetings to communicate DEQ permit process, including DEQ's timeline commitments and the impact of incomplete applications on the DEQ schedule. Do this for Part A, Part B, CTO, and closure review processes.

5. Conduct resource needs assessment as part of manpower allocation, including outsourcing evaluation to catch up on backlog.

6. Improve consistency and continuity of permit review process during transitions (e.g., when permit writer changes) by managing staff to adhere to permit review expectations and norms. Clearly articulate and communicate these expectations and norms to managers and staff and document guidance accessible both to DEQ staff and the regulated community.

7. Establish criteria for field inspections and review of submitted material at critical steps during construction and closure to expedite final CTO approval and final closure certification.

8. Adhere to existing permit review timelines.

9. Develop list or guidance for applicants and DEQ staff regarding "functionally equivalent" construction materials that qualify for an expedited permit amendment review.

Agency Update: To improve coordination between groundwater, Part A application, and Part B application processing all three programs are now regionalized. This will allow for all permitting activities to be carried out under "one" roof. This change and the coordination of the permit review activities were memorialized in the solid waste permit manual which was updated during 2008.

Benefits: The regionalization of these three programs has resulted in seamless processing and improves both communication and efficiency during the permit review process. The regional Waste Program Manager staff now serves as the single point of contact for all permitting related activities. The revised solid waste permit manual standardizes the administrative procedures and templates used during review of applications. The updated permit manual promotes consistency between regions and between permit writers during staff transitions.

Issues: The resource needs assessment that was completed indicates the need for additional staffing for our regional offices. Due to current budget issues within Virginia, it is unlikely that additional staffing will be provided. Therefore, additional streamlining measures are being implemented through the VSWMR Amendment 7 process.

Solid Waste Program Opportunity 3: Strengthen risk-based, performance-based approaches to permitting to best utilize DEQ staff resources

1. Evaluate and revise regulations to incorporate a list of approved alternative designs that can be approved in the initial permit or a major permit amendment without going through the variance procedure.
2. Amend regulations to distinguish whether specific kinds of changes (e.g., changes in kind, functionally or operationally equivalent changes) can be made by change order/notification rather than minor amendment process.
3. Amend regulations to state that unless required by statute, public meetings and hearings will be held only when requested.
4. Establish hierarchy of DEQ review priorities, considering environmental protection objectives, the hierarchy of preferred waste management methods, and the applicant's business continuity issues. [Note: Benchmark states such as North Carolina that are successfully attracting and implementing preferred waste management methods such as composting, material recovery, and recycling.]

Agency Update: Amendment 5 of the VSWMR (effective 11/1/08) included a provision eliminating the public hearing requirement for the majority of permit amendment applications. Amendment 7 of the VSWMR is currently under Executive review. This amendment includes pre-approved alternate final cover and alternate liner designs. This amendment also reduces the administrative procedures for using Alternate Concentration Levels and other alternate liner designs by no longer requiring a variance petition. Additionally, in Amendment 7, what is a minor amendment or modification notification has been distinguished. Amendment 7 also supports the waste hierarchy by requiring a lesser permit burden on upper-hierarchy facilities such as composting.

Benefits: The elimination of the public hearing for most amendment applications will result in a lower cost for both the applicant and DEQ while increasing efficiency. The suggested revision included in Amendment 7 will further streamline the permitting process and increase efficiency.

Issues: Much of this effort will require implementation of Amendment 7 which is currently undergoing the regulatory executive review process.

Solid Waste Program Opportunity 4: Improve quality, consistency and relevance of permits

1. Provide timely and understandable technical guidance and training to ensure consistency in permit writers' interpretation of the regulations. Use real life scenarios to improve relevance and usefulness.
2. Improve content of technical guidance to permit writers on conducting administrative and technical completeness reviews. Reinforce the guidance as part of permit writer training.
3. Improve the format and structure of DEQ procedures and guidelines, for both internal use and for the regulated community, to make these more concise, usable, timely, and accurate. Make the format and structure consistent across DEQ.
4. Make permit format more consistent and concise by identifying key requirements for inclusion, common permit conditions, and boilerplate as well as information in

the application that can be addressed in the permit by reference. Craft a strawman for review by DEQ and regulated community and other stakeholders. Consider if regulatory changes are needed to accomplish this.

5. Ensure that permit writers receive timely and applicable training appropriate to job duties.
6. Reinforce communications expectations between permit writer and applicant.

Agency Update: DEQ has finalized guidance prescribing the development of guidance documents, which includes a standard format for all guidance documents. In addition, the Office of Solid Waste has finalized a guidance document regarding establishment of daily maximum disposal limits and is currently seeking stakeholder comments on new Part A processing guidance. Landfill design training and groundwater remediation training sessions for staff are being planned for 2009. In 2008, composting training, including design considerations, was provided to waste permitting staff. Additionally, as part of the Amendment 7 process, DEQ will be looking to streamline the permit format to be more consistent and concise. This will be developed based on the new Part B application form that will be required by Amendment 7.

Benefits: By finalizing the Guidance Development document DEQ has standardized the appearance and format of all guidance documents developed agency wide. The new maximum daily disposal limits and Part A guidance both reflect the new guidance format and are written in an understandable manner. The Part A guidance, currently under stakeholder review, largely utilizes real life scenario examples to establish submittal requirements.

Issues: Much of this effort will require implementation of Amendment 7 which is currently undergoing the regulatory executive review process.

Solid Waste Program Opportunity 5 : Improve quality of inspections and timeliness of inspection reports

1. Reinforce communications expectations between inspector and permittee.
2. Review agency guidelines with inspectors and provide training as necessary to ensure inspectors can discuss potential compliance issues with permittees at the completion of the field inspection and before leaving the site.
3. Enhance inspector training through the inclusion of "real life" scenarios.
4. Ensure adequate field oversight role for management to ensure consistency of inspection scope, quality and reports.
5. Streamline input of routine data, preparation of inspection reports, and completion of inspection checklists.
6. Re-emphasize with staff the importance of adhering to established guidelines on timely issuance of inspection reports.

Agency Update: The draft final Solid Waste Inspector Manual, Volume I, will address communication expectations between inspectors and permittees. Exit interview training has been provided and will also be addressed in this manual. Training for solid waste

inspectors planned for 2010 will include real life scenarios and will be based on the Department of Professional and Occupational Regulation (DPOR) operator certification training. A CEDS Manual to specify and streamline input of inspection data was developed and issued in April 2008.

Benefits: The Solid Waste Compliance CEDS Manual and the Solid Waste Inspector Manual will address the expectations and requirements for performing a quality and enforceable inspection. This should allow for better communication to the permittee of the need to maintain compliance.

Issues: None identified.

Attachment 6 - VWP Program Opportunities

VWP Program Opportunity 1: Improve pre-application process

1. Identify projects most appropriate for pre-application meetings.
2. For identified project types, evaluate opportunities for providing incentives to applicant to participate in pre-application meeting.
3. Formalize a pre-application process and document meeting results.
4. Conduct pre-application scoping meetings with specific and unambiguous results for development projects, and other significant projects where multiple agencies are involved in reviews (see Opportunity 7).
5. Consider IACM-type coordination models including meetings and screening process to better coordinate agencies and local jurisdictions on key projects.
6. Clarify relationship between permit fee submittal and complete application.

Agency Update: The revised State Programmatic General Permit (SPGP) procedures have resulted in much improved coordination between the Corps and DEQ. In addition, revisions to the VWP permit regulation have requirements for pre-application meetings for water supply projects. As part of implementing the SPGP bi-monthly SPGP joint conference calls have been held between both agencies. Finally guidance has been updated and placed on DEQ's website to clarify what is needed for complete applications.

Benefits: Recent changes made to the VWP application process have improved the quality and completeness of applications, improved staff understanding of projects, expedited reviews, and increased understanding of the regulated community of the likely project outcome.

Issues: None identified.

VWP Program Opportunity 2: Improve alignment between USACE and DEQ permit application/amendment review processes

1. Identify steps in the process where coordination/discussion with USACE can reduce or eliminate duplication and redundancies and prepare strategy and implementation plan.
2. Increase activities/size of impact covered under SPGP to minimize redundant and overlapping jurisdictions [Note: Benchmark Pennsylvania].
3. Consolidate USACE permit authority under DEQ.
4. Further discuss regulated communities' advocacy of use of Engineering Surveyors Institute to expedite completeness review and other permit review functions as a means of augmenting DEQ staff.
5. Fix the disconnect and disparate timelines between the USACE nationwide permit determinations and DEQ completeness determinations.
6. Resolve/reconcile other permit overlaps and conflicting statutory timelines between DEQ and USACE permit processes.

7. Coordinate USACE and DEQ confirmation site visits (both larger specialized projects and smaller, economically strategic projects).

Agency Update: The revised SPGP has reduced or eliminated many of these issues. The bi- monthly conference calls between the Corps and DEQ have worked well to increase communication between the two agencies. The agency studied the feasibility of seeking assumption of the Section 404 program, but elected not to pursue assumption at this time.

Benefits: Changes implemented to the program as a result of the revised SPGP have assisted with stream lined permitting and less overlap between state and federal agencies.

Issues: Expansion of SPGP coverage requires approval from USACE and EPA. Full assumption of the federal permitting authority requires changes to aspects of the state statute to receive approval from EPA and would require a significant financial commitment as there are no federal funds attached to assumption.

VWP Program Opportunity 3: Improve multi-agency coordination (DEQ, USACE, DCR, VMRC, others)

1. Establish clear lead agency roles and responsibilities.
2. Identify strategy to reduce DEQ's No Permit Required (NPR) workload associated with USACE nationwide/regional permits.
3. Create a process/establish an ombudsman for improved coordination and conflict resolution (e.g., SW3P, DEQ/DCR stormwater containment construction, E&S).
4. Explore inter-agency teams/coordination improvements for development projects.
5. Build on MOUs by continuing to identify opportunities to streamline interactions between DGIF, VDH, and DCR in areas such as endangered species, historic resources, and others.
6. Clarify differences in Federal and State endangered species lists to reduce applicant confusion and uncertainty.

Agency Update: Clarifications to guidance and to information provided through the agency website have been made to improve multi-agency coordination. The revised SPGP has resulted in a more streamlined process. Interagency teams have been used on large projects and for mitigation banks. New Memoranda of Agreement (MOUs) with DCR, DGIF and VDH have resulted in better coordination on VWP projects.

Benefits: It is anticipated that changes implemented to the VWP program as a result of the SPGP will allow for faster permit reviews to occur, which benefit both the agency and the regulated community. The interagency coordination has promoted more informed decision- making, thereby reducing delays and confusion concerning requirements to be met.

Issues: None identified.

VWP Program Opportunity 4: Streamline property owner notifications

1. Distinguish and clarify definitions of directly adjacent landowners (USACE requirement) and riparian landowners (DEQ requirement).
2. Clarify statutory language re: what constitutes ½ mile downstream (this impacts definition of riparian landowners required to be notified).
3. Reassign responsibility for adjacent and riparian landowner notifications from DEQ to permit applicant. As with solid waste program, require permit applicant to demonstrate good faith effort to notify applicable landowners.

Agency Update: Changes to landowner notifications were explored but would require a change to the Code of Virginia. Instead of pursuing this option, the agency has worked with applicants to speed up the process for obtaining a list of adjacent landowners.

Benefits: By speeding up the process for obtaining a list of adjacent landowners, the agency has minimized delays in a portion of the permitting process.

Issues: Reassigning the responsibility of notifications to adjacent and riparian landowners to the applicant would require a change to state law. Instead of changing the state law as a means to expedite the notification process, the agency has worked with applicants to speed up the process for obtaining a list of adjacent landowners which are required to be notified, which reduces delays in the permitting process.

VWP Program Opportunity 5: Improve permit quality, consistency, and level of dedicated resource

1. Strengthen and systemize training, guidance, mentoring, and internal communications to increase number and benefit of peer reviews, knowledge sharing opportunities, and transfer of best practices.
2. Explore funding mechanisms for dedicated permit resources.
3. Establish a primary point of contact within DEQ to communicate with applicant on permit. (This can be done by assigning permit writers to a territory or other mechanism.)
4. Conduct customer satisfaction surveys/implement other feedback mechanisms as inputs to DEQ staff performance management (e.g., recognition and reward).
5. Utilize the DEQ workforce development plan to improve staff retention, training, and productivity.
6. Improve DEQ staff training, including regulatory context and nuance, permit review, USACE Reg 1 and Reg 2 courses (or similar to VA regulations).
7. Develop and deploy improved guidance and policy on specific issues and better tools, such as interactive and cross-referenced permit manuals. Share these with the regulated community.

Agency Update: The agency has implemented a system of staff retention that includes a schedule of training, a realignment of salaries, and hiring dedicated compliance staff. Guidance and manuals have been updated and shared with the public via DEQ's website.

Benefits: The agency's VWP program benefits from reduced permit review times, improved DEQ service consistency and quality, having a shorter learning curve for new permit writers, and reduced rework on permits.

Issues: None identified.

VWP Program Opportunity 6: Define a formal process for dispute resolution

1. Assign ultimate DEQ authority/ombudsman in instances where there are inter-agency or applicant/agency differences of professional opinion.
2. Define a formal dispute resolution process, consistent with Virginia administrative law, for situations where the applicant and DEQ are unable to resolve differences using the routine permit process.

Agency Update: The agency adopted a Process for Early Dispute Resolution (PEDR) as the first step for the regulated community to resolve a disagreement with the agency. Additionally the agency has updated contact names for the VWP program, and has hired a central office VWP permit coordinator to work with the regions and the public on questions about the permit process and outcomes. The agency has also reinstituted the quarterly interagency coordination meetings with the Corps and U.S. Fish and Wildlife Service (USFWS).

Benefits: These changes will make the VWP program more consistent across DEQ regions, and will provide for faster and more consistent resolution of disagreements.

Issues: None identified.

VWP Program Opportunity 7: Streamline permit modification process

1. Establish classification system based on risk levels and link these to type/level of permit amendment.
2. Expand category for minor modifications.
3. Establish timelines for modifications.
4. Customize steps in the permit review and issuance process to align requirements with risk levels (e.g., GPs don't get public notice, all individual permits (IPs) do get public notice). Identify needed changes to regulations to facilitate risk-based customized approach.
5. Clearly explain and communicate the modification process to DEQ staff, permittees, and public.

Agency Update: The agency has made changes to the permitting program, including the revision to the State Program General Permit (SPGP) which became effective June 1, 2007 and eliminates much of the duplication of effort that would otherwise occur between the DEQ and U.S. Army Corps of Engineers permitting programs. The agency reviewed the permit categories and found no need to establish more categories for minor modifications given the streamlining achieved through implementation of the SPGP.

Further explanations of the permit modification process have been placed on the agency website to assist the regulated community with understanding the permit modification process.

Benefits: The permit modification process has been streamlined resulting in decreased permit modification times.

Issues: None identified.

VWP Program Opportunity 8: Increase permit post-issuance compliance assurance activities

1. Evaluate manpower requirements for increased inspection and monitoring.
2. Utilize three-year USEPA grant to develop and implement an inspection strategy
3. Apply for grants for inspections and investigate other funding opportunities.
4. Define inspection scopes.
5. Leverage partnerships with other agencies and other programs within DEQ to improve/increase compliance coverage.
6. Identify cross-training needs for DEQ staff.
7. Measure improvements in efficiency and environmental protection/total life cycle efficiency (this is a USACE performance measure).
8. Identify efficiency opportunities regarding construction monitoring reporting, e.g., flexibility in how information is provided.

Agency Update: DEQ has a 3 year grant from EPA to make improvements to our VWP compliance program. This has included field training, obtaining PDAs to record inspection information, and developing guidance on construction monitoring reporting. We have conducted an audit of the compliance program and are making changes to improve efficiency, effectiveness and consistency.

Benefits: Changes have been made to improve efficiency and effectiveness and consistency with permit oversight.

Issues: None identified.